

January 29, 1973

## CONGRESSIONAL RECORD — SENATE

1441

risk-taking by private insurance companies throughout the State.

Mr. President, there are a number of reasons why I believe this proposal is an exceptional one deserving careful consideration by the Congress.

#### A VOLUNTARY HEALTH INSURANCE PROPOSAL

Unlike many other proposals that have been submitted in Congress, the National Catastrophic Illness Protection Act is voluntary in nature. Throughout my public life, I have opposed compulsory Government programs on the basis that they restrict the freedom of the individual that is basic to the American way of life. No individual American would be forced to enroll in this program. While Americans certainly recognize there are problems in the area of health care financing, I believe the vast majority of our citizens oppose a compulsory uniform national health insurance system.

#### A LIMITED FEDERAL ROLE

The Federal Government role in this proposal would be quite limited. At periodic intervals the Department of Health, Education, and Welfare would review the actuarial value of the catastrophic illness insurance policy in each State. By taking into consideration general economic data and family size the Department of Health, Education, and Welfare could then set a premium policy cost at a lower level than the actuarial value in order to encourage more widespread coverage. A national catastrophic illness fund would be established to reimburse private carriers of the difference between the premium payment and the actuarial value. Additionally, the Federal Government would provide and administer a reinsurance program to insure the private companies offering this low-cost insurance against paying out more in benefits than they received in premiums.

#### A PUBLIC-PRIVATE PARTNERSHIP

This legislation is geared to improve our existing health care delivery system. I strongly believe that our delivery system is the best that any nation has yet developed. It is not a perfect system and it is my belief that this legislation would move our system closer to the goal of perfection of which we all strive. Our private health insurance system has currently enrolled more than 80 percent of those eligible for the various programs and their benefits. The National Catastrophic Illness Protection Act would strengthen our existing system by providing it with the necessary incentives to make available the type of protection desired by the American people. At the same time, the program would not restrict the ongoing functions of our existing system. Nor would it restrict the constant effort by the private sector to experiment and develop alternative methods of providing better health care.

#### A FEDERAL-STATE PARTNERSHIP

I believe that a program of this nature cannot be successful without the cooperation and utilization of the experience of existing State governmental units in the insurance field. The National Catastrophic Illness Insurance Act takes this into consideration. The States would have the primary authority for develop-

ing statewide insurance plans and would coordinate the insurance risk pool. President Nixon has recognized and I believe the Congress is increasingly recognizing that the Federal Government has neither the answers to all of our problems nor the intuitive ability to properly administer programs dealing specifically with individual human needs. This proposal recognizes the impersonal nature of the Federal bureaucracy while at the same time takes heed of the experience and expertise available at the State level.

#### A LIMITED FEDERAL COST

It has been quite apparent for some time that the Federal Government cannot afford to implement many new high-cost programs. This is certainly the case until there is a reorganization of the executive branch and a reevaluation of the myriad of programs authorized by the Federal Government. While the proposal being submitted today attempts to rectify a very serious problem of nationwide dimensions, I am convinced that its cost will be of a minimal nature, particularly when compared with other proposals in the national health insurance area. In fact, it is my estimation that the cost of the program would be at its highest in its initial year. Once the program is underway and the incentives established the program will begin to grow in a quantitative sense. This will spread out the risk and reduce the overall cost.

Furthermore, since catastrophic illness consists of only a small minority of all health insurance claims the total amount of benefits paid out should never reach an alarming figure. I am also convinced that the reinsurance claims will be at a minimal level once the carriers have the experience in the program to improve the actuarial basis of their efforts. In this regard, the Federal interest will be protected by the Department of Health, Education, and Welfare's continuing actuarial review of the premium rate structure under the program.

Mr. President, I urge my colleagues to give this legislation their careful consideration. The National Catastrophic Illness Protection Act of 1973 seeks to build upon our present health care delivery system. Since the program will only come into play once a specified amount of health care costs are exceeded and the amount of that deductible will rise measurably depending on income, enrollees in the program will have a strong incentive to obtain private health insurance covering basic and major medical coverage. Already more than 80 percent of those eligible for private insurance in the country have such coverage. The Catastrophic Illness Protection Act recognizes that in the vast majority of cases that the deductible under the plan will be covered by private health insurance. Catastrophic protection, therefore, will assist the individual and his family in filling a gap in the current system of health care financing.

In establishing our priorities in the upcoming debate it is my hope that catastrophic protection will have the highest consideration and that the Congress

will recognize the potential of this program.

By Mr. AIKEN:

S. 529. A bill making an urgent supplemental appropriation for the national industry reserve under the Independent Agencies Appropriation Act for the fiscal year ending June 30, 1973. Referred to the Committee on Appropriations.

Mr. AIKEN. Mr. President, I send to the desk legislation for a \$1.8 million supplemental appropriation to restore funds for the National Industrial Equipment Reserve program.

The program received no funds in fiscal 1973 because of a difference between the Congress and the administration over whether the National Industrial Equipment Reserve should be retained under the General Services Administration budget or whether this should be shifted to the Department of Defense budget.

As a result, machine tools worth over \$46 million are now sitting unused in two storage depots, and some 400 U.S. schools face the possible loss of over \$40 million in NIER machinery on free loan for vocational training purposes.

I hope this legislation can be acted on in an expedited fashion as this program is not only important to our National security but at the same time allows these machine tools to be used for educational purposes.

By Mr. PERCY (for himself, Mr. ERVIN, Mr. BROCK, Mr. CHILES, Mr. JAVITS, Mr. METCALF, Mr. MUSKIE, Mr. ROTH, and Mr. SANDBE):

S. 500. A bill to require that future appointments of certain officers in the Executive Office of the President be subject to confirmation by the Senate. Referred by unanimous consent to the Committee on Government Operations, the Committee on Banking, Housing and Urban Affairs, the Committee on Foreign Relations, and the Committee on Armed Services.

#### BILL TO REQUIRE CONFIRMATION OF REMAINING MAJOR POSTS IN THE EXECUTIVE OFFICE OF THE PRESIDENT

Mr. PERCY. Mr. President, I am introducing today on behalf of myself; the distinguished chairman of our committee the Senator from North Carolina (Mr. ERVIN); and seven other members of the Government Operations Committee (Mr. BROCK, Mr. CHILES, Mr. JAVITS, Mr. METCALF, Mr. MUSKIE, Mr. ROTH, and Mr. SANDBE) a bill to make three posts in the Executive Office of the President subject to appointment by and with the advice and consent of the Senate. The posts in question are the Executive Secretary of the National Security Council, the Executive Director of the Domestic Council, and the Executive Director of the Council on International Economic Policy.

This bill was reported unanimously by the committee at its executive session on January 26. It permits those officers currently holding the three posts to be exempt from confirmation, except that the Executive Director of the Council on